

Message Text

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SUBJ: PRESIDENT RODRIGUEZ' TOUR D'HORIZON WITH ICAF

1. SUMMARY: ECUADOREAN PRESIDENT GUILLERMO RODRIGUEZ LARA SPENT AN HOUR WITH VISITING FACULTY AND STUDENTS FROM THE INDUSTRIAL COLLEGE OF THE ARMED FORCES ON MAY 13TH, MOST OF IT ANSWERING QUESTIONS IN A GENERAL TOUR D'HORIZON. THE ENCOUNTER WAS WELL-COVERED BY THEDFEWS MEDIA, AND WAS ON PAGE ONE OF NEXT MORNING'S NEWSPAPERS. AMONG HIS POINTS:
A) ECUADOR'S FOREIGN POLICY IS BASED ON GOOD RELATIONS WITH ALL COUNTRIES WHICH RESPECT ECUADOR'S SOVEREIGNTY AND NATIONAL RIGHTS, BE THEY COMMUNIST OR CAPITALIST; B)
ECUADOR HAS TRADITIONALLY HAD EXCELLENT RELATIONS WITH THE US, A SITUATION RODRIGUEZ LARA EXPECTED WOULD CONTINUE;
C) EVEN THOUGH OVERALL RELATIONSHIPS IN THE HEMISPHERE ARE CHANGING, "THERE OBVIOUSLY REMAINS A VERY IMPORTANT ROLE FOR THE US TO PLAY"; D) ECUADOR DOES NOT SEEK TO NATIONALIZE FOREIGN OIL COMPANIES AT A TIME WHEN IT NEEDS ALL THE HELP IT CAN GET TO MODERNIZE ITS ECONOMY;
IN FACT, IT WELCOMES FOREIGN INVESTMENT; E) ECUADOR
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"HAS BEEN, IS, AND ALWAYS WILL BE" BASICALLY AN AGRICULTURAL

ECONOMY, AND COULD NOT CONVERT ITSELF INTO AN INDUSTRIALIZED POWER EVEN IF IT WANTED TO; F) THE US NEEDS TO AMEND THE TRADE REFORM ACT AND ALTER ITS PRESENT POSITION AGAINST SOFT LOANS FOR ECUADOR IN INTERNATIONAL LENDING INSTITUTIONS. END SUMMARY.

2. ECUADOREAN PRESIDENT GENERAL GUILLERMO RODRIGUEZ LARA MET FOR AN HOUR ON MAY 13TH WITH A GROUP OF 16 FACULTY AND STUDENTS FROM ICAF FOR A GENERAL QUESTION AND ANSWER SESSION. SIGNIFICANTLY, RODRIGUEZ WAS WILLING TO BEND HIS SCHEDULE TO ACCOMMODATE THEM ON "CABINET DAY"; THE GROUP HAD PREVIOUSLY BEEN GRANTED AN APPOINTMENT FOR THE 14TH, WHICH PANAMANIAN GOVERNMENT HEAD TORRIJOS' LAST-MINUTE VISIT TO GUAYAQUIL MADE IMPRACTICABLE. EVEN ALLOWING FOR TAILORING HIS REMARKS TO HIS AMERICAN AUDIENCE, RODRIGUEZ WAS REMARKABLY FORTHRIGHT AND CANDID.

3. MINERALS. WITH RESPECT TO MINERALS, RODRIGUEZ ACKNOWLEDGED THAT ECUADOR HAD FALLEN BEHIND COLOMBIA AND PERU IN EXPLORATIONS AND DEVELOPMENT OF ITS RESOURCES. AND WENT ON TO SAY ECUADOR WELCOMED FOREIGN ASSISTANCE FOR THIS EFFORT; THAT ITS LAWS ENCOURAGED FOREIGN INVESTMENT, SO LONG AS THERE WAS JUST REGARD FOR ECUADOR'S SOVEREIGN RIGHTS. HE REMARKED THAT ECUADOR'S PETROLEUM IS A PERISHABLE RESOURCE, AND THAT ECUADOR IS BASICALLY AN AGRICULTURAL COUNTRY WHICH HAS VERY LITTLE TIME LEFT IN WHICH TO GET ITS AGRICULTURAL HOUSE IN ORDER.

4. TRADE AND DEVELOPMENT. ASKED POINT BLANK WHAT HIS REACTION WAS TO THE US CONSIDERING TECHNOLOGY ITS "NATURAL RESOURCE", AND WHAT SORT OF TRADE-OFF THERE COULD BE BETWEEN US TECHNOLOGY AND THIRD WORLD RAW MATERIALS, RODRIGUEZ POINTED OUT THAT ECUADOR IS ONLY A MARGINAL PRODUCER OF PETROLEUM, COMPARED TO THE MIDDLE EAST GIANTS. HE AGREED THAT THERE COULD BE A TRADE-OFF BETWEEN THE DEVELOPED COUNTRIES AND THE LDC'S, BUT IN EFFECT PLEADED "AS THE RICHEST, MOST POWERFUL COUNTRY IN THE WORLD, THE US HAS A MORAL RESPONSIBILITY

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TO HELP THE UNDERDEVELOPED WORLD".

5. ARMS RACE. ON THE THREATENING ARMS RACE ALONG THE PACIFIC COAST OF SOUTH AMERICA, RODRIGUEZ AGREED THAT IT WAS A DELICATE PROBLEM. HE PUT IN A PLUG FOR ARMS CONTROL, HOPED THAT THE WORDS THAT HAVE FLOWED ON THE SUBJECT MIGHT BESPEAK NOT ONLY ARMS LIMITATION, BUT ALSO PROSCRIPTION OF WEAPONS PURCHASES. HE NOTED THE

VARIOUS FORMS OF COOPERATION WHICH HAVE BEEN STARTED, AND SAID THAT FOR THEM TO SUCCEED, ALL FORMS OF AGGRESSION -- POLITICAL AND ECONOMIC, AS WELL AS MILITARY, MUST BE ELIMINATED.

6. NARCOTICS. ASKED ABOUT ECUADOR'S ROLE AS A SUPPLIER OF NARCOTICS TO THE US, RODRIGUEZ ACKNOWLEDGED THAT IT WAS A SENSITIVE SUBJECT. HE DID NOT REFER DIRECTLY TO THE RECENT NEW YORK TIMES SERIES ON DRUGS, BUT DID SAY THAT LAWS HAD RECENTLY BEEN PASSED WHICH WOULD CRACK DOWN ON TRAFFICKING IN ECUADOR; THE COUNTRY WAS CONCERNED, AND NOT JUST FOR THE EFFECT ON THE US, BUT FOR ITS OWN DOMESTIC REASONS. HE POINTED OUT, HOWEVER, THAT MUCH OF THE ECUADOREAN CONNECTION IS TRANSIT OF DRUGS WHICH ORIGINATE ELSEWHERE, DESTINED FOR THE US MARKET "BECAUSE OF YOUR HIGH PRICES". HE ADDED, "ONE OF THE BENEFITS OF OUR UNDERDEVELOPMENT IS THE RELATIVELY LOW LEVEL OF DRUG ABUSE IN OUR OWN SOCIETY".

7. POPULATION. ASKED ABOUT ECUADOR'S HIGH RATE OF POPULATION GROWTH, RODRIGUEZ DID NOT EVINCE A GREAT DEAL OF CONCERN; YES, HE SAID, ECUADOR DOES HAVE A VERY HIGH POPULATION GROWTH RATE, AROUND 3.3 PERCENT PER YEAR, BUT HE ADDED THAT ECUADOR COULD, BY MORE INTENSIVE AGRICULTURAL METHODS AND BY EXPLOITATION OF SEA RESOURCES OFF ECUADOR'S COAST, PROBABLY SUPPORT A POPULATION OF AROUND 20-30 MILLION (AS OPPOSED TO THE CURRENT 6 MILLION).

8. PRODUCER CARTELS. ONE QUESTIONER ASKED PRESIDENT RODRIGUEZ WHY ECUADOR ADHERED TO OPEC, BUT HAD THUS FAR DECLINED TO PARTICIPATE IN UPEB (BANANAS). RODRIGUEZ SAID ECUADOR'S ATTITUDE WAS CONDITIONED BY ITS LIMITED OFFICIAL USE

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DETERMINATION TO GET A JUST PRICE FOR ITS NATURAL RESOURCES, BANANAS AS WELL AS PETROLEUM. BUT WHEREAS OPEC GAVE IT A MEASURE OF COLLECTIVE BARGAINING LEVERAGE, ECUADOR DID NOT BELIEVE IT WAS NECESSARY TO JOIN UPEB. UNLIKE CENTRAL AMERICA, WHERE PRODUCTION IS CONTROLLED BY LARGE MULTI-NATIONAL CORPORATIONS, OVER 200,000 INDIVIDUAL OWNERS AND OPERATORS CONTROL PRODUCTION HERE. THUS, RATHER THAN RELY ON TAXING EXPORTS FOR STATE INCOME, ECUADOR DERIVES GREATER BENEFITS FROM INCREASED PRODUCTION, WHICH ITS SMALL PRIVATE ENTREPRENEUR SYSTEM HAS ENCOURAGED.

9. LOS. RODRIGUEZ WAS ASKED WHAT ECUADOR'S REACTION WOULD BE IF, WITHIN THE LOS CONTEXT, A MAJORITY OF NATIONS DID NOT GO ALONG WITH ECUADOR'S CLAIM OF FULL

SOVEREIGNTY OUT TO 200 MILES, BUT INSTEAD OPTED FOR A 200-MILE "ECONOMIC ZONE". RODRIGUEZ REMARKED THAT ECUADOR HAD BEEN AMONG THE FIRST TO PUST FOR THE 200-MILE LIMIT, AND WAS PLEASED THAT MORE AND MORE COUNTRIES HAD AGREED, INCLUDING EVEN ELEMENTS IN THE US. HE DID, HOWEVER, NOTE THERE WERE "WEAK" FORMS OF ECONOMIC ZONES AS WELL AS "HARD". HE SAID ECUADOR HAS ITS LAWS WHICH IT MUST DEFEND, BUT WENT ON TO SAY "THERE ARE, OF COURSE, DIFFERENT GEOGRAPHIC CONSIDERATIONS -- STRAITS, CHANNELS, DIFFERENT REGIMES FOR FISH, MIGRATORY SPECIES, UNDERSEA COMMUNICATIONS, ETC. THE SEA IS THE FUTURE OF OUR COUNTRY. WE WILL JUST HAVE TO SEE HOW THESE THINGS DEVELOPM".

10. RELATIONS WITH U.S. FINALLY, HE WAS ASKED WHETHER ANYTHING COULD BE DONE TO IMPROVE THE RELATIONS BETWEEN THE TWO COUNTRIES. YES, HE SAID, "THE FIRST IS THAT YOU CAN ELIMINATE THE (ANTI-OPEC) CLAUSE IN YOUR TRADE REFORM ACT WHICH DISCRIMINATES AGAINST ECUADOR. THIS DISCRIMINATION AGAINST A FRIEND AND PARTNER IN THE HEMISPHERE IS A GREAT INJUSTICE." SECOND, HE SAID, IS THAT THE US SHOULD RE-APPRAISE ITS ATTITUDE AGAINST SOFT LOANS FROM THE WORLD BANK AND IDB FOR ECUADOR. "YOUR POSITION IS BASED ON THE FALSE NOTION THAT WE ARE NOW RICH, WHEREAS WE ARE IN FACT STILL A VERY POOR NATION. WE NEED THESE LOANS FOR THE ECONOMIC DEVELOPMENT OF OUR COUNTRY, AND WE ARE ENTITLED TO THEM SINCE LIMITED OFFICIAL USE

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WE HAVE CONTRIBUTED TO THE FOUNDING OF THESE ORGANIZATIONS."
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